



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:956.390 High:958.800 Low:953.180 Close:955.850 -0.540(-0.1%) Volume:3,509,415 (-648940,-15.6%)
COMPOSITE INDEX [COMPOSITE] 05/05/2006 - 07/09/2006 Ticks=88 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 07/09/2006, by Straits Index (M) Sdn Bhd

The KLCI continued its pull-back effect, technically correction 0.54 points to 955.85 points. As indicated by A, the KLCI was supported by the 14 days EMA. However, with the 14, 21, 31 EMA started moving flat, the KLCI might enter a congestion zone. In other words, a consolidation. Other consolidation signal is seen at the contraction of the Bollinger Bands width. Nonetheless, resistance is still at 970 level while the 950 as well as the EMAs would be the current support level. (Study A)

Total market volume on Thursday stood at only around 351 million shares, another 15.6% decreased from the previous daily market volume. Generally, a lower volume during a consolidation or a technical correction is viewed as normal. However, if the KLCI were to retest or attempt to break above the 970 resistance, a significant increase of volume is imperative. (Study B)

As circled by C, %D of Stochastic dropped below the 70% level, confirming the %K signal that the short-term bullishness has ended. At the moment, Stochastic is showing a neutral short-term market sentiment. (Study C)